

**AN ORDINANCE OF THE CITY OF LEON VALLEY, TEXAS AUTHORIZING THE ACCEPTANCE OF CREDIT CARDS FOR PAYMENT OF FEES, FINES, COURT COSTS AND OTHER CHARGES; PROVIDING FOR A PROCESSING FEE FOR CREDIT CARD PAYMENT OF MUNICIPAL COURT RELATED FEES, FINES, COURT COSTS AND OTHER CHARGES; PROVIDING FOR A SERVICE CHARGE IF PAYMENT BY CREDIT CARD IS NOT HONORED; PROVIDING FOR SEVERABILITY, CUMULATIVE AND SAVING CLAUSE; PROVIDING AN EFFECTIVE DATE AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING.**

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**WHEREAS**, the City of Leon Valley is a "Type A" municipality established by the laws of the State of Texas.

**WHEREAS**, generally, Chapter 132 of the Texas Local Government Code authorizes the governing body of a municipality to authorize a municipal official who collects, fees, fines, court costs and other charges to accept payment by credit card and further authorizes the collection of a *processing fee* for use of a credit card and the collection of a *service charge* if a credit card is not honored by the credit card company;

**WHEREAS**, more specifically as it relates to *authorizing the processing fee*, Chapter 132, Section 132.002(b) and (c) of the Texas Local Government Code authorizes the governing body of a municipality to authorize a municipal official who collects fees, fines, court costs or other charges to accept payment by credit card and to collect a fee for processing the payment by credit card. The governing body may also authorize the acceptance of payment by credit card without requiring collection of a fee;

**WHEREAS**, more specifically as it relates to the *processing fee amount*, Chapter 132, Section 132.003(b) of the Texas Local Government Code authorizes a municipality to set a processing fee in an amount that is reasonably related to the expense incurred by the municipality in processing the payment by credit card. However, the governing body may not set the processing fee in an amount that exceeds five percent (5%) of the amount of the fee, fine, court cost, or other charge being paid;

**WHEREAS**, more specifically as it relates to a *service charge fee for credit card not honored*, Chapter 132, Section 132.004 of the Texas Local Government Code states that if, for any reason, a credit card payment is not honored by the credit card company on which the funds are drawn, the municipality may collect a service charge from the person who owes the fee, fine, court cost, or other charge. The service charge is in addition to the original fee, fine, court cost or other charge and is for the collection of the original amount. The service charge fee is the same amount as a fee charged for the collection of a check drawn on an account with insufficient funds;

**WHEREAS**, more specifically as it relates to the *deposit of processing and service charge fees*, Chapter 132, Section 132.006 of the Texas Local Government Code requires the municipal official collecting a fee or charge to deposit it in the general fund of the municipality;

**WHEREAS**, the Leon Valley City Council has determined that acceptance of credit cards is beneficial to the City and its citizens' public convenience and should be authorized without all citizens incurring the costs for it;



**WHEREAS**, the Leon Valley City Council recognizes that the City incurs additional expenses to accept credit card payments and shall set the processing fee in an amount that is reasonably related to the expenses incurred;

**WHEREAS**, the Leon Valley City Council wants to authorize a credit card processing fee for all *municipal court related* fees, fines, court costs, or other charges only. They do NOT want to authorize a credit card processing fee for all other *non-municipal court related* fees, fines, court costs or other charges such as utility payments.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEON VALLEY, TEXAS THAT:**

**Section 1.** The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as if expressly set forth herein.

**Section 2.** The City of Leon Valley Code of Ordinances are hereby amended by adding this Ordinance to read as follows:

**Use of Credit Cards, Debit Cards, or Other Electronic Means for Payment Due to the City.**

(a) Credit Card use authorized. Each official employed by the City of Leon Valley who, as part of that employment, collects fees, fines, court costs, or other charges from members of the public that are due to the City is authorized to accept credit cards as payment for such fees, fines, court costs, and other charges.

(b) Amount of Processing Fee. For each *municipal court related* fee, fine, court cost, or other charge that is paid by credit card, the official collecting the same shall also collect a processing fee in an amount equal to the five percent (5%) of the amount of the fee, fine, court cost, other charge to be paid, as authorized by Section 132.003(b), Texas Local Government Code. For each *non-municipal court related* fee, fine, court cost or other charge that is paid for by credit card, the official collecting the same shall NOT collect a processing fee.

(c) Service Charge. If for any reason a payment by credit card is not honored by the company on which the funds are drawn, the officer shall collect from the member of the public who attempted to pay by credit card an additional service charge in an amount equal to the fee then being charged for the collection of a check drawn on an account with insufficient funds, as authorized by Section 132.005, Texas Local Government Code

(d) Deposit of Processing Fees and Service Charges. Processing fees and service charges collected pursuant to this Ordinance shall be deposited in the general fund of the City, as provided by Section 132.006, Texas Local Government Code.

**Section 2. Severability.** It is hereby declared to be the intention of the City Council of the City of Leon Valley that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared unconstitutional by valid judgment or decree of any court of competent jurisdiction, such

unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinances, since the same would have been enacted by the City Council without incorporation in this ordinance of any such unconstitutional phrases, clause, sentence, paragraph or section.

**Section 3. Savings Clause.** All rights and privileges of the City of Leon Valley are expressly saved as to any and all violation of the provision of any Ordinances affecting the subject matter, which have accrued at the time of the effective date of this Ordinances, and, as to such accrued at the time of the effective date of this Ordinance; and as to such accrued violation and all pending litigation, both civil and criminal, whether pending in court or not, under such Ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

**Section 4. Effective Date.** This Ordinance shall become effective and shall be in full force and effect on and after its passage and publication as required by state law.

**PASSED, ADOPTED AND APPROVED** by the City Council of the City of Leon Valley this the 7<sup>th</sup> day of June, 2016.

**APPROVED**

  
**CHRIS RILEY**  
MAYOR

Attest:   
**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary



Approved as to Form:   
**ROXANN PAIS COTRONEO**  
City Attorney